



GAIL FARBER, Director

**COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS**

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331

<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

January 19, 2016

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

29 January 19, 2016


PATRICK OZAWA
ACTING EXECUTIVE OFFICER

**AMENDMENT TO AGREEMENT NO. 10810 BETWEEN
THE CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER,
THE COUNTY OF LOS ANGELES, AND
THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
REGARDING RECLAIMED WATER SERVICE TO
THE DOMINGUEZ GAP BARRIER PROJECT
(SUPERVISORIAL DISTRICTS 2 AND 4)
(3 VOTES)**

SUBJECT

This action is to amend an existing agreement between the City of Los Angeles Department of Water and Power, the County of Los Angeles, acting on behalf of the Los Angeles County Flood Control District, and the Water Replenishment District of Southern California, to extend the term of the agreement to December 31, 2017, or until the parties execute a new agreement regarding increased reclaimed water service to the Dominguez Gap Barrier Project, whichever occurs first.

IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT:

1. Find that the proposed action is exempt from the California Environmental Quality Act for the reasons stated in this letter and in the record of the project.
2. Approve and authorize the Chief Engineer of the Los Angeles County Flood Control District or her designee to execute an amendment to Agreement No. 10810 regarding reclaimed water service to the Dominguez Gap Barrier Project, to extend the term of the agreement from February 23, 2016, to

December 31, 2017, or until a new agreement regarding increased reclaimed water service to the Dominguez Gap Barrier Project is executed, whichever occurs first.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to approve and authorize the Chief Engineer of the Los Angeles County Flood Control District (LACFCD) or her designee to execute the enclosed amendment to Agreement No. 10810, to extend the term of Agreement No. 10810 through and including December 31, 2017, or until a new agreement for increased reclaimed water service to the Dominguez Gap Barrier Project (DGBP) is executed, whichever occurs first.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provisions of Operational Effectiveness/Fiscal Sustainability (Goal 1) and Integrated Services Delivery (Goal 3). The recommended actions will help achieve these goals by maximizing the effectiveness of County infrastructure, building partnerships with other governmental agencies, and ensuring the County's residents receive quality infrastructure services.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund or the Flood Control District Fund.

There is no cost to amend the Agreement to extend the term.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The DGBP is a seawater barrier facility owned by the LACFCD. The purpose of the DGBP is to inject water into the underlying aquifers to develop a pressure ridge that prevents seawater from intruding into and degrading the groundwater basin, which is a source of potable water supply.

Agreement No. 10810 was entered into on July 31, 2001, between the City of Los Angeles Department of Water and Power (LADWP), the County of Los Angeles (COUNTY), acting on behalf of the LACFCD, and the Water Replenishment District of Southern California (DISTRICT).

Under terms of Agreement No. 10810, the DISTRICT purchases reclaimed water from LADWP for injection by the COUNTY into the DGBP. Agreement No. 10810 sets a maximum amount of reclaimed water to be provided by LADWP of 5,000 acre-feet per year. The term of Agreement No. 10810 is currently scheduled to expire on February 23, 2016.

The parties are currently negotiating the terms of a new agreement to provide for the purchase, sale, and use of greater quantities of reclaimed water at the DGBP, but these negotiations are not expected to be completed in time for a new agreement to be in place prior to February 23, 2016.

The enclosed amendment will be substantially similar to the form previously approved as to form by County Counsel. Prior to the Chief Engineer or her designee executing this amendment, the other parties will sign and County Counsel will review it as to form.

ENVIRONMENTAL DOCUMENTATION

The proposed amendment to Agreement No. 10810 is categorically exempt from the provisions of California Environmental Quality Act (CEQA) pursuant to Section 15301 of the State CEQA Guidelines and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, there are no cumulative impacts, unusual circumstances, or other limiting factors that would make the exemption inapplicable based on the project records.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Exemption with the County Clerk in accordance with Section 15062 of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Entering into the proposed supplemental agreement with LADWP and DISTRICT will allow for continued reclaimed water delivery to the DGBP, which reduces the amount of potable water supplies required to effectively operate the DGBP.

CONCLUSION

Please return one adopted copy of this letter to the Department of Public Works, Water Resources Division.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gail Farber".

GAIL FARBER

Director

GF:CS:vt

Enclosures

c: Chief Executive Office (Rochelle Goff)
County Counsel (Mark Yanai)
Executive Office

**AMENDMENT TO AGREEMENT 10810
BETWEEN
THE CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER,
COUNTY OF LOS ANGELES AND
THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
REGARDING RECLAIMED WATER SERVICE TO THE
DOMINGUEZ GAP BARRIER PROJECT**

Amendment to Agreement No. 10810, hereinafter referred to as "Amendment," is made and entered by and between the Los Angeles Department of Water and Power (DEPARTMENT), the County of Los Angeles (COUNTY), acting on behalf of the Los Angeles County Flood Control District, and the Water Replenishment District of Southern California (DISTRICT), collectively referred to as "Parties".

RECITALS

WHEREAS, Agreement No. 10810 (Agreement) was executed on July 21, 2001, for DEPARTMENT to sell reclaimed water to DISTRICT, and for COUNTY to take and inject this reclaimed water into the Dominguez Gap Barrier Project (BARRIER); and

WHEREAS, delivery of reclaimed water began on February 23, 2006; thereby establishing that the Agreement would expire on February 23, 2016; and

WHEREAS, in accordance with Article 5.1 of Agreement, Memorandum of Understanding (MOU) WR-13-1052, executed between DEPARTMENT and DISTRICT established unit-cost charges for water delivery through February 23, 2016; and

WHEREAS, Parties desire to enter into a long-term agreement to provide greater quantities of reclaimed water to the BARRIER, but there is insufficient time to finalize terms for such an agreement prior to expiration of existing Agreement; and

WHEREAS, it is the goal of Parties to provide additional time to finalize terms for a long-term agreement to provide reclaimed water service to BARRIER by extending existing term of Agreement through December 31, 2017, or until the long-term agreement is complete, whichever occurs first; and

WHEREAS, DEPARTMENT and DISTRICT wish to establish unit-cost charges for water delivery through the end of Agreement term.

Now, therefore, in consideration of the foregoing, it is understood and agreed between the Parties:

SECTION 1 – UNIT COST

Article 5.1 of Agreement is removed and is replaced with the following:

Beginning July 1, 2015, DISTRICT shall pay for reclaimed water in accordance with the following schedule of unit costs:

<u>Effective Date</u>	<u>Unit Cost</u>
July 1, 2015	\$900/Acre-Feet (AF)
July 1, 2016	\$927/AF
July 1, 2017	\$955/AF

Unit costs and payment terms expressed in this Agreement shall supersede MOU WR-13-1052 and establish pricing for water service for duration of this Agreement.

5.1.1 For potable water delivered to BARRIER, DISTRICT shall pay a unit cost equal to the price paid by DEPARTMENT for treated water from the Metropolitan Water District of Southern California.

5.1.2 DISTRICT will be billed for all water delivered at the reclaimed water unit cost throughout the year. At the end of each fiscal year (July 1 through June 30), the total deliveries of reclaimed water and potable water will be assessed. If total water deliveries are greater than 4,000 AF, a supplemental bill will be issued to appropriately adjust the price for potable water delivered in excess of 4,000 AF. The amount of the bill will be calculated by the formula:

$$(\text{UCPW} - \text{UCRW}) \times \text{lesser of (TPD or (TWD} - 4,000 \text{ AF))}$$

UCPW:	Unit Cost of Potable Water (\$/AF)
UCRW:	Unit Cost of Reclaimed Water (\$/AF)
TPD:	Total Potable Deliveries (AF)
TWD:	Total Water Deliveries (AF)

SECTION 2 – MAXIMUM QUANTITY OF RECLAIMED WATER

Article 2.1.4 of Agreement is removed and Article 2.1.3 of Agreement is replaced with the following:

2.1.3 The DISTRICT may purchase the maximum quantities of reclaimed water that the DEPARTMENT makes available to DISTRICT subject to the terms of this AGREEMENT.

SECTION 3 – TERM

Article 9.1 of Agreement is replaced to read as follows:

Term of AGREEMENT shall commence upon the last date of approval by Parties hereto and shall terminate December 31, 2017, or upon the DEPARTMENT,

COUNTY, and DISTRICT executing a new agreement regarding reclaimed water service to BARRIER, whichever occurs first.

SECTION 4 – NOTICES

Addresses for the DEPARTMENT and the DISTRICT listed in Article 12 of Agreement are replaced with the following:

Los Angeles Department of Water and Power
Director of Water Engineering & Technical Services Division
111 North Hope Street, Room 1336
Los Angeles, California 90012

Water Replenishment District of Southern California
General Manager
4040 Paramount Boulevard
Lakewood, California, 90712

Except as otherwise expressly amended herein, all other terms and conditions of Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the PARTIES hereto subscribe the same in duplicate on the day and year written below.

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS
OF THE CITY OF LOS ANGELES

By: _____
MARCIE L. EDWARDS
General Manager

And: _____
BARBARA E. MOSCHOS
Secretary

WATER REPLENISHMENT DISTRICT
OF SOUTHERN CALIFORNIA

Date: _____ By: _____
President, Board of Directors

Date: _____ And: _____
Secretary, Board of Directors

APPROVED AS TO FORM:

Date: _____ By: _____
Leal Trejo APC, Counsel to the Water Replenishment
District of Southern California

IN WITNESS WHEREOF, the PARTIES hereto subscribe the same in duplicate on the day and year written below.

LOS ANGELES COUNTY FLOOD
CONTROL DISTRICT

Date: _____ By: _____
Chief Engineer

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

Date: _____ By: _____
Deputy

P:\wrd\OPERATIONS\BOARD LETTERS\DGBP Amendment to Agreement.doc